

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
WHITLEY COUNTY WATER DISTRICT)	CASE NO. 97-352

O R D E R

On August 11, 1997, Whitley County Water District ("Whitley County") submitted its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. During the 12 months ending June 30, 1997, Whitley County purchased water from Corbin Utilities Commission, city of Williamsburg, Cumberland Falls Highway Water District, Jellico Water System ("Jellico") and Rockhold Well. Effective March 28, 1997, Jellico increased its wholesale rate from \$3.00 to \$3.38 per 1,000 thousand gallons.

2. During the test year Whitley County purchased 121,817,000 gallons at a total cost of \$269,470. Based on the increase from Jellico, the new cost of water will be \$272,186. During the test year Whitley County sold 84,942,000 gallons.

3. Based on the increased cost of purchased water, Whitley County's cost will increase by \$2,716 which results in a purchased water adjustment increase of \$0.03 per

1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Whitley County's customers will increase \$0.15 from \$30.00 to \$30.15, or .5 percent.

4. Whitley County's proposed rates are incorrect and should be denied. The calculations showing the correct adjustment are set out in Appendix B.

5. The purchased water adjustment of \$0.03 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:


1. The purchased water adjustment increase of \$0.03 per 1,000 gallons and the rates in Appendix A are approved for Whitley County for service rendered on and after October 1, 1997.


2. Whitley County's proposed rates are hereby denied.

3. Within 30 days of the date of this Order, Whitley County shall file revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky this 10th day of September, 1997.

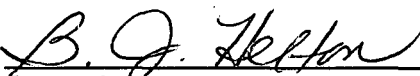
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-352 DATED SEPTEMBER 10, 1997

The following rates and charges are prescribed for the customers in the area served by Whitley County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES: Monthly

First	1,000 gallons	\$10.83 Minimum Bill
Next	4,000 gallons	4.83 per 1,000 gallons
Next	95,000 gallons	4.33 per 1,000 gallons
Over	100,000 gallons	3.83 per 1,000 gallons

Non Metered Customers	\$30.15 per month
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APPENDIX B

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 97-352 DATED SEPTEMBER 10, 1997

Calculation of Purchased Water Adjustment

TEST YEAR ACTUAL:

<u>Supplier</u>	<u>Purchases</u>	<u>Rate</u>	<u>Cost</u>
Corbin Utilities Comm.	43,400	\$2.20	\$ 95,480
City of Williamsburg	51,841	2.20	114,050
Cumberland Falls	14,963	2.44	36,509
Jellico Water	7,148	3.00	21,444
Rockhold Well	4,465	.445	1,987
Total Test Year	121,817		\$269,470

TEST YEAR ADJUSTED:

<u>Supplier</u>	<u>Purchases</u>	<u>Rate</u>	<u>Cost</u>
Jellico Water	7,148	\$3.38	\$24,160

Calculation of Purchased Water Adjustment

Cost at Test Year Adjusted	\$ 272,186
Cost at Test Year Actual	269,470
Increase in Cost	\$2,716

\$2,716 divided by 84,942,000 gallons sold = .0319 or 3 cents per 1,000 gallons